

LOUISIANA PUBLIC SERVICE COMMISSION

GENERAL ORDER

(Amending General Order of February 20, 1973)

In re: Delinquent Penalty for Non-Payment of Utility Bills.

By its Order dated February 20, 1973, this Commission established a 5% penalty for late payment of utility bills, defining late payment as that which is received by the utility more than 20 days after date of billing. A degree of confusion apparently surrounds the interpretation of this Order when considered in the light of this Commission's General Order of September 10, 1957, which provides that utility companies subject thereto shall provide 5 days written notice prior to actual disconnect. Certain utilities have interpreted these orders as permitting a notice of disconnect on the 15th day after billing, with resultant disconnect in the 21st day after billing. Moreover, some utilities have engaged in the practice of adding a penalty on top of an unpaid penalty. Finally, there is the matter of a utility bill never being fully paid because of consumer resistance to the payment of a late charge or penalty notwithstanding its validity, an occasional practice that utilities advance as grounds for imposing a penalty on a penalty. It is the purpose of this Order to clarify the Commission's intention with respect to late payments and penalties. Accordingly, it is ORDERED:

- 1) No utility shall charge a late payment penalty on any portion of bill which portion represents a previous late payment penalty; for purposes of this section, a payment received by a utility shall be credited first to the outstanding principal, regardless of month incurred, until all principal is discharged, and then to outstanding penalty, if any.
- 2) No utility shall disconnect a subscriber for non-payment of any principal amount without 5 days written notice, nor for non-payment of late penalty assessment without 90 days written notice, such accounts to be credited in the manner provided by Paragraph 1 hereof.
- 3) No utility shall mail or otherwise deliver a 5 day written notice of disconnect for non-payment of principal until that principal is delinquent as set forth in this Commission's General Order of February 20, 1973.
- 4) If the last day of any period calculated hereunder is a Saturday, Sunday, or Legal Holiday, or half-Holiday, then the period in question shall extend to the next full business day.

IT IS SO ORDERED

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BY ORDER OF THE COMMISSION

BATON ROUGE, LOUISIANA

JULY 12, 1976

/S/ LOUIS J. LAMBERT

CHAIRMAN

/S/ THOMAS E. POWELL

COMMISSIONER

/S/ NAT B. KNIGHT

COMMISSIONER

/S/ ED KENNON

COMMISSIONER

/S/ JOHN F. SCHWEGMANN

COMMISSIONER

/S/ LOUIS S. QUINN

SECRETARY